

CALIFORNIA CODE OF REGULATIONS
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
TITLE 25, DIVISION 1

Legend:

*Text in single underline reflects proposed non-regulatory additions.

* Text in ~~single-strikeout~~ reflects proposed non-regulatory deletions.

Chapter 4. Manufactured Housing Sales, Occupational Licensing and Education
Subchapter 1. Sales and Occupational Licensing

1. Amend Section 5002.

§ 5002. Definitions.

The following definitions and those set forth or referenced in Health and Safety Code Sections 18000 through 18153, shall govern the activities under this chapter:

(a) Accessory. Any additional structure, air-conditioning unit, driveway, landscaping, skirting, awning, carport, shed, porch, or other items contracted for and included in the purchase document for the purchase or lease of a MH-Unit and/or its installation site.

(b) Acknowledged. When used in this chapter means either notarized or attested to by a subscribing witness.

(c) Additional Business Location (ABL). This term means the same as secondary business location. See the definition of “Secondary Business Location” below.

~~(e)~~(d) Advertising. Any statement, representation, act or announcement intentionally communicated to any member of the public by any means whatever, whether orally, in writing or otherwise, generally for the purpose of arousing a desire to buy or patronize.

~~(d)~~(e) Cash or cash equivalent. Includes, but is not limited to:

(1) Cash, checks, money orders, or drafts.

(2) Promissory notes, bills of sale, certificates of ownership, or other intangible property.

(3) Assignments of funds, proceeds, contracts, rights, or other negotiable instruments.

(4) Any real or personal property.

~~(e)~~(f) Clock hour. Fifty (50) continuous minutes in an approved preliminary or continuing education course, seminar, or conference excluding breaks for meals, rest, or smoking.

~~(f)~~(g) Close of escrow. The date on which the conditions of the escrow have been met and the escrow agent is in a position to disburse all funds excepting funds withheld for uninstalled or undelivered accessories included in the purchase price.

~~(g)~~(h) Continuing Education Course. A class, seminar or conference approved by the department, pursuant to law and this chapter, which offers licensees continuing education clock hour credits on one (1) topic.

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~~(h)~~(i) Correspondence Course. A continuing education program of a single topic approved by the department transmitted by mail between a licensee and an approved course provider.

~~(i)~~(j) Course Provider. A person or entity offering preliminary or continuing education courses approved by the department. A course provider meeting the minimum qualifications established in this chapter may also be an approved instructor.

(k) Designated Managing Employee (DME). See Responsible Managing Employee.

~~(j)~~(l) DOJ. The California Department of Justice.

~~(k)~~(m) Instructor. A person approved by the department to present preliminary or continuing education courses while in the employ of a course provider. An instructor may also be a course provider.

~~(l)~~(n) Live Scan. Digitally scanned fingerprinting using the electronic process certified by DOJ at an approved facility.

~~(m)~~(o) Manufactured Home. A structure as defined by section 18007 of the Health and Safety Code.

(p) Main Business Location. An applicant or licensee's primary established place of business. All added business locations will be considered secondary business locations. If there is more than one location listed on a license application, then the primary location designated on the application will be deemed the main business location.

~~(n)~~(q) Manufacturer's Suggested Retail Price. The total price shown on the label required by Health and Safety Code Section 18032.

~~(o)~~(r) Mobilehome. A structure as defined by section 18008 of the Health and Safety Code.

~~(p)~~(s) Multifamily Manufactured Home. A structure as defined by section 18008.7 of the Health and Safety Code. "Multi-unit manufactured housing" has the same meaning as "multifamily manufactured home", as that term is defined by section 18008.7 of the Health and Safety Code.

~~(q)~~(t) MH-Unit. Shall have the same meaning in this chapter as Manufactured Home, Multifamily Manufactured Home and Mobilehome as defined in the Health and Safety Code, Division 13, Part 2, Chapter 1.

~~(r)~~(u) 90-day certificate holder. An applicant for an original salesperson license, holding a certificate issued by the department which permits the applicant to perform the following activities while in the employment of a licensed dealer:

(1) A 90-day certificate holder may induce or attempt to induce a person to buy, lease, or exchange an interest in a new or used MH-Unit or commercial modular.

(2) For commission, money, profit, or other thing of value, a 90-day certificate holder may sell, exchange, buy, or lease; offer for sale; negotiate or attempt to negotiate a sale, lease or exchange of an interest in a new or used MH-Unit or commercial modular.

(3) A 90-day certificate holder shall not execute any documents, contracts, or listing agreements, or accept any cash or cash equivalent for the sale or lease of a new or used MH-Unit or commercial modular.

~~(s)~~(v) Preliminary Education Course. A class, seminar or conference approved by the department pursuant to law and this chapter relating to laws and regulations governing MH-Unit sales, specifically designed for persons not holding a MH-Unit dealer or salesperson license.

~~(t)~~(w) Purchase document. Any instrument of purchase, regardless of its title, which is prepared by a licensee to effect the sale of a MH-Unit or commercial modular to a retail purchaser.

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(x) Responsible Managing Employee (RME). A licensed salesperson designated by a corporation, partnership or limited liability company to participate in the direction, control and management of the sales operation of a MH-unit or commercial modular dealer. Also acts as a supervising managing employee when designated by a dealer. Not applicable for manufacturers.

(y) Secondary Business Location. An additional business location and an established place of business for a licensed dealer or manufacturer, not the main business location.

~~(u)~~(z) Supervising Managing Employee. A person designated by a licensed dealer of MH-Units or commercial modulars as responsible for the direct supervision of 90-day certificate holders employed by the dealer at an established place of business. A supervising managing employee must be either:

(1) A salesperson in possession of a valid occupational license as required by this chapter.

(2) A sole owner dealer.

(3) A partner in a partnership; or a member of a limited liability company; or a director or officer of a corporation who, as required by this chapter, has been designated as participating in the direction and control of the sales business.

~~(v)~~(aa) Topic. The subject offered by a preliminary or continuing education course.

~~(w)~~(bb) Working days. All days except Saturdays, Sundays, and state and federal holidays.

Note: Authority cited: Sections 18015 and 18052.6, Health and Safety Code. Reference: Sections 18001.8, 18007, 18008, 18008.7 and 18035-18066.5, Health and Safety Code; Sections 1797-1797.7, Civil Code; Sections 17003 and 17004, Financial Code; and Sections 11077.1 and 11102.1, Penal Code.

2. Amend Section 5010.

§ 5010. License.

(a) No person acting as a manufacturer, dealer, distributor or salesperson shall do so from any location without a current and valid occupational license issued pursuant to law ~~of and~~ this subchapter. Any person in violation of this section shall be liable for appropriate fees pursuant to Section 5040 of this subchapter and a penalty of 50 percent of the license fee in addition to any other civil and/or criminal penalties.

(b) ~~No person acting as a manufacturer whose established place of business is located outside this state, from any location shall deliver new MH-Units or commercial modulars to dealers in this state for the purposes of sale, rent or lease, without a current and valid manufacturer's license issued pursuant to law and this chapter. It is not necessary for a manufacturer to obtain a license in this state for manufacturing sites located outside of the state, provided that the manufacturer has at least one established place of business located within this state licensed by the California Department of Housing and Community Development.~~

(c) Dealers and manufacturers with more than one established place of business may have their other business locations licensed either under one license as an additional business location(s) or under a separate license with multiple locations. For licenses with multiple locations, the main business location and each additional business location shall be subject to only one original license application and that license's renewal fees pursuant to Section 5040 of this subchapter.

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3. Amend Section 5040.

§ 5040. Fees.

(a) Manufacturer and Distributor.

(1) Original License Application: Five hundred eighty-two dollars (\$582) per year for each ~~established place of~~ main or additional business location.

(2) Renewal of License: Five hundred dollars (\$500) per year for each ~~established place of~~ main or additional business location.

(b) Dealers.

(1) Original License Application: Five hundred eighty-two dollars (\$582) per year for each ~~established place of~~ main or additional business location.

(2) Renewal of License: Four hundred five dollars (\$405) per year for each ~~established place of~~ main or additional business location.

(c) Salesperson and 90-Day Certificate Holder.

(1) Original Salesperson License Application: Two hundred nineteen dollars (\$219).

(2) Renewal of Salesperson License: One hundred fifty dollars (\$150).

(3) Change of Salesperson or 90-Day Certificate Holder Employment Fee: Forty-five dollars (\$45).

(4) Original 90-Day Certificate Application: One hundred thirty-four dollars (\$134).

(d) Duplicate Licenses, 90-Day Certificates, and Reports of Change for All Licensees and 90-Day Certificate Holders.

(1) Duplicate License or 90-Day Certificate: Forty-five dollars (\$45).

(2) Change in Business or Personal Name: Forty-five dollars (\$45).

(3) Change in Business Mailing or Personal Address: Forty-five dollars (\$45).

(4) Elimination of Partner, Member or Corporate Officer, Director or Controlling Stockholder: Seventy-two dollars (\$72).

(5) Addition of Partner(s), Member(s) or Corporate Officer(s), Director(s) or Controlling Stockholder(s): One hundred thirty dollars (\$130).

(6) Relocation of Business: Three hundred fifty-eight dollars (\$358).

(7) Change of Ownership Structure to a Partnership, Limited Liability Company or a Corporation: Seventy-two dollars (\$72).

(8) Change of Supervising Managing Employee: Forty-five dollars (\$45).

(9) Change of Employment Location for 90-Day Certificate Holders: Forty-five dollars (\$45).

(e) Examinations.

(1) Dealer Examination: One hundred ten dollars (\$110) for each examination taken.

(2) Salesperson Examination: Eighty-six dollars (\$86) for each examination taken.

(f) Investigative and Technical Services.

(1) One hundred ninety-six dollars (\$196) provided the investigative or technical service does not exceed one hour, including travel time associated with an investigation. When the investigative or technical service exceeds one hour, the following fees shall apply:

(A) Second and subsequent whole hours: eighty-two dollars (\$82).

(B) Each thirty (30) minutes, or fractional part thereof: forty-one dollars (\$41).

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- (g) Information, Photocopying, Certification, Forms and Photos.
 - (1) Search for Information: Forty-five dollars (\$45) per subject, whether information is found or not.
 - (2) Summary of Employment: Fifty-three dollars (\$53) per licensee.
 - (3) Photocopies of Documents: Five dollars (\$5.00) per page.
 - (4) Certified Copies of Documents: Twenty-five dollars (\$25) per document.
 - (5) Certification of Information on File: Forty-five dollars (\$45).
 - (6) Full facial photograph fee: One dollar and fifty cents (\$1.50) per photo.
 - (7) Examination Study Guide: Twenty-nine dollars (\$29).
- (h) Statewide Licensee Lists.
 - (1) Manufacturers: Fifty-five dollars (\$55).
 - (2) Dealers: Fifty-five dollars (\$55).
 - (3) Distributors: Fifty-five dollars (\$55).
 - (4) Salespersons: Sixty dollars (\$60).
- (i) Dealer Report of Sale Filing Fee: Twenty-five dollars (\$25) for each report of sale filed with the department.

Note: Authority cited: Sections 18015, 18031 and 18052.6, Health and Safety Code. Reference: Sections 18031, 18045.6, 18050, 18052.6, 18053.5 and 18055, Health and Safety Code.

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